

**EXHIBIT D**  
**(Standard Agreement)**

**SPECIAL TERMS AND CONDITIONS**

1. **CERTIFICATIONS**

A. Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge it will, unless exempted, comply with the provisions set forth in the following:

- 1) Drug-Free Workplace Requirements Contract Certification Clause (CCC-307)
- 2) National Labor Relations Board Certification (CCC-307)
- 3) Expatriate Corporations (CCC-307)
- 4) Domestic Partners (CCC-307)
- 5) Amendment for Change of Agency Name (CCC-307)
- 6) Resolution (CCC-307)
- 7) Air and Water Pollution Violation (CCC-307)
- 8) Information Integrity and Security (Department of Finance, Budget Letter 04-35)

For detailed explanation for each of the above certifications, see [www.csd.ca.gov](http://www.csd.ca.gov).

B. Contractor hereby certifies to the best of its knowledge that it or any of its officers:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.
- 2) Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

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- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 2 of this certification.
- 4) Have not within a three-year period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.
- 5) If any of the above conditions are true for the Contractor or any of its officers, Contractor shall describe such condition and include it as an attachment to this Exhibit D. Based on the description, CSD in its discretion may decline to execute this Agreement, or set further conditions of this Agreement. In the event any of the above conditions are true and not disclosed by Contractor, it shall be deemed a material breach of this Agreement, and CSD may terminate this Agreement for cause immediately pursuant to the termination provisions of State and federal law governing the CSBG program.

C. Specific Assurances

- 1) Pro-Children Act of 1994

This Agreement incorporates by reference all provisions set forth in Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act).

- 2) American-Made Equipment/Products

Contractor shall assure, pursuant to Public Law 103-333, Section 507, to the extent practicable, that all equipment and products purchased with funds made available under this Agreement shall be American made.

- 3) Contract Administration

This Agreement incorporates by reference all provisions set forth in the Child Support Services and Referrals (Section 678G (b) 1998 CSBG Reauthorization Act).

For detailed explanation for each of the above Assurances, see [www.csd.ca.gov](http://www.csd.ca.gov).

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D. Nondiscrimination Compliance

- 1) Contractor's signature affixed hereon shall constitute a certification that to the best of its ability and knowledge will, unless exempted, comply with the nondiscrimination program requirements set forth in this Section.
- 2) Contractor hereby certifies compliance with the following
  - a. Federal Executive Order 11246, as amended by Executive Order 11375, relating to equal employment opportunity.
  - b. Title VI and Title VII of the Civil Rights Act of 1964, as amended.
  - c. Rehabilitation Act of 1973, as amended.
  - d. Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended.
  - e. Title 41, Code of Federal Regulations (CFR), Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor, as amended.
  - f. Public Law 101-336, Americans with Disabilities Act of 1990.

For detailed explanation for each of the above documents, see  
[www.csd.ca.gov](http://www.csd.ca.gov).

2. COMPLIANCE MONITORING

- A. As the recipient of federal CSBG block grant funds under this Agreement, Contractor is responsible for substantiating that all costs claimed under this Agreement are allowable and allocable under all applicable federal and state laws, and for tracing all costs to the level of expenditure.
- B. As the administrator for the CSBG block grant for the State, CSD is required to ensure the funds allocated to Contractor are expended for the purposes identified in federal and state CSBG law, and for allowable and allocable costs under the applicable rules of the Office of Management and Budget.
- C. CSD is required to conduct onsite and follow-up monitoring of Contractor to ensure that Contractor meets the performance goals, administrative standards, financial management requirements, and other requirements of the federal and State CSBG program.

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- D. CSD shall provide Contractor reasonable advance notice in writing of on-site monitoring reviews of Contractor's program or fiscal performance.
- E. Contractor shall cooperate with CSD program and audit staff and other representatives, and provide access to all programs, records, documents, resources, personnel, inventory and other things reasonably related to the administration and implementation of the services and activities funded directly or indirectly by this Agreement.
- F. In the event, CSD determines that Contractor is in non-compliance of material or other legal requirements of this Agreement, CSD shall provide the observations, recommendations or findings in writing, along with a specific action plan for correcting the non-compliance.

3. SPECIAL CONDITIONS FOR ENTITIES NOT MEETING TERMS OF THE AGREEMENT

- A. In addition to the State's authority to terminate or suspend funding or deny refunding under federal and State law and regulation, the State has authority to set fiscal control and fund accounting procedures to fulfill the State's oversight responsibilities and ensure that CSBG funds are appropriately expended. Thus, notwithstanding the express exception in 45 CFR Part 92 as applied to the CSBG Program, the State hereby incorporates by reference 45 CFR Part 92.12 and may impose special conditions according to that section on Contractor for unsatisfactory performance of the requirements, standards, and guidelines of this Agreement.
- B. Contractor shall ensure that requirements set forth in this Agreement are met, that all required documentation is submitted in a timely manner, and that any corrective action plans are fulfilled. In the event that prescribed timelines are not met or corrective action is not taken, it shall be deemed a material breach of this Agreement, and CSD shall take appropriate action, including but not limited to withholding of advance payments and initiation of the suspension and termination procedures provided by State and federal CSBG law.

4. INTERNAL CONTROL CERTIFICATION

Contractor shall ensure the establishment and maintenance of a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. The system of internal accounting and administrative control shall be attested to within the Contractor's independent audit conducted pursuant to this Agreement, and include:

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- A. Segregation of duties appropriate to safeguard state assets.
- B. Limited access to agency assets to authorized personnel who require these assets in the performance of their assigned duties.
- C. Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures.
- D. Practices to be followed in performance of duties and functions.
- E. Personnel of a quality commensurate with their responsibilities.
- F. Effective internal review.

5. **AUDIT REPORTS**

- A. Funds provided under this Agreement shall be included in an audit conducted in accordance with the provisions of OMB Circular A-133 for nonprofit and public agencies, standards promulgated by the American Institute of Certified Public Accountants (AICPA), and those standards included in "Government Auditing Standards, 2007 Revision, as amended.
- B. The financial and compliance audit shall contain the following supplementary financial information: A combined statement of revenue and expenditures for each contract that presents, by budget line item, revenue and expenditures for the contract or audit period.
- C. Contractors shall submit to CSD one copy of the required audit report(s), and any management letter issued by the accountant within nine months of the end of the Contractor's fiscal year, or 30 calendar days after completion of the audit, whichever is less. Upon written request by the Contractor's independent auditor, an extension may be granted by CSD Audit Services Unit for submittal of the audit report not to exceed an additional 30 calendar days from the original due date. The request for extension must include an explanation of why the audit cannot be submitted within nine months of the end of the Contractor's fiscal year, accompanied by a copy of the signed, final engagement letter between Contractor and the independent auditor. The audit reports and supplementary financial information are to be submitted to the following address:

Department of Community Services and Development  
Attention: Audit Services Unit  
Post Office Box 1947  
Sacramento, CA 95812-1947

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Local governmental agencies also shall submit the required number of copies of the audit report in accordance with the guidelines set by the Division of Audits of the State Controller's Office. Said reports are to be submitted to the following address:

State Controller's Office  
Division of Audits  
300 Capitol Mall, Fifth Floor  
Sacramento, CA 95814

- D. In the event that an audit has not been timely submitted, CSD shall take appropriate action, including but not limited to withholding of advance payments and initiation of the suspension and termination procedures provided by State and federal CSBG law.
- E. Where services or funds under this Agreement are provided to, for, or by a wholly owned, or wholly controlled subsidiary of Contractor, Contractor hereby provides assurance that an audit shall be performed of this subsidiary organization in accordance with this section. Said required audit report shall be made available to the State upon request.

6. AUDITING STANDARDS

Contractor must follow all audit requirements as set forth in this Agreement, including but not limited to this Exhibit D Sections 4 through 7, OMB Circular A-133 and the CSD Supplemental Audit Guide dated November 18, 2007, which is incorporated by reference into this Agreement. The Supplemental Audit Guide may be accessed at [www.csd.ca.gov](http://www.csd.ca.gov).

7. SUBCONTRACTS

Contractor may enter into subcontract(s) to perform applicable provisions of this Agreement. The Contractor is responsible for ensuring that all activities delegated to subcontractors are in support of this Agreement. As defined in federal CSBG law, subcontractors are not considered eligible entities and thus not subject to tripartite board or other specific requirements unique to eligible entities.

- A. Contractor shall provide written notification to the State within 60 calendar days of execution of each subcontractor agreement with the name of the subcontractor entity, its address, telephone number, contact person, contract amount, and program/administrative description of each subcontractor activity to be performed under this Agreement.

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- B. Contractor remains responsible to substantiate the allowable and allocable use of all funds under this Agreement. Contractor shall ensure that any subcontracts under this Agreement contain all provisions necessary to ensure adequate substantiation and controls of the expenditure of such funds. Contractor shall be responsible for conducting periodic monitoring of subcontractor's program activities and fiscal accountability. Contractor shall also ensure that any subcontracts under this Agreement contain the right of reasonable access to the subcontractors' books and records by CSD staff and representatives and by Contractor's independent auditors for purposes of ensuring the allowability of expenditures of the funds under this Agreement.
- C. Contractor shall immediately notify all of its subcontractor(s) in writing within five days of such action in the event the State suspends, terminates, and/or makes changes to the services to be performed under this Agreement.
- D. Contractor is the responsible party and shall remain liable for the performance of the terms, conditions, assurances, and certifications of this Agreement, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of subcontract agreement(s) entered into in support of this Agreement, including disputes, claims, or other matters of a contractual nature as well as civil liability arising out of negligence or intentional misconduct of the subcontractor(s).
- E. Nothing contained in this Agreement shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

8. TRAVEL/PER DIEM

- A. Contractor's total travel for in-state and/or out-of-state and per diem costs shall be included in the contract Budget(s). Out-of-state travel costs that exceed the budgeted amount shall not be reimbursed without prior written authorization from CSD.
- B. Contractor's employee travel costs and per diem reimbursement rates shall be reimbursed as allowed pursuant to OMB Circular A-87 Section 43 or OMB Circular A-122 section 51 as applicable, and based on the Contractor's

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acceptable, written travel policy, or, in the absence of such policy, not to exceed Federal per diem requirements.

- C. In absence of a travel policy, Contractor shall defer to the rules and regulations established in the California Code of Regulations Section 599.615 through 599.638 and be reimbursed in accordance with the definitions, terms and provisions contained therein.

9. PROCUREMENT

A. Contract Administration

- 1) Contractors shall administer this Agreement in accordance with all federal and state rules and regulations governing CSBG pertaining to procurement, including Office of Management and Budget (OMB) Circulars and amendments thereto, consistent with the general OMB compliance requirement in Exhibit B to this Agreement. Contractors shall establish, maintain, and follow written procurement procedures consistent with the procurement standards in OMB Circulars A-102 and A-110 and all additional provisions in this Agreement, including but not limited to a code of conduct for the award and administration of contracts and a procedure that provides, to the maximum extent practical, open and free competition.
- 2) Contractor shall not permit any organizational conflicts of interest or noncompetitive practices that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective subcontractor performance and eliminate unfair competitive advantage, individuals, or firms that develop or draft specifications, requirements, statements of work, invitations for bids, and/or requests for proposals shall be excluded from competing for such procurements. Contractor shall award any subcontract to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to Contractor when considering price, quality, and other factors. Contractor's solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient.
- 3) Contractor assures that all supplies, materials, equipment, or services purchased or leased with funds provided by this Agreement shall be used solely for the activities allowed under this Agreement, unless a fair market value for such use is charged to the benefiting program and credited to this Agreement.



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- 4) In addition to adhering to all OMB requirements and the Contractor's established procedures for all procurement transactions of any amount, for each purchase, lease, or subcontract for any articles, supplies, equipment, or services obtained from vendors or subcontractors where the per-unit cost exceeds \$5,000, three competitive quotations shall be obtained or adequate justification documented and maintained as to the absence of bidding. In cases of a bona fide emergency where awarding a subcontract is necessary for the immediate preservation of public health, welfare, or safety, documentation of the emergency will be sufficient in lieu of the three-bid process.
- 5) To ensure that significant procurement transactions are conducted in an open and freely competitive manner, Contractor shall comply with one of the following requirements at Contractor's election:
  - a. Contractor shall submit for CSD's review and approval the written procurement procedures developed pursuant Section 9. A. 1) above. Upon receipt of the procedures, CSD will review them for substantial conformity with the OMB procurement guidelines and the three-bid requirement in Section 9. A. 4. above. Within thirty (30) days of receipt, CSD will provide either written approval of the procedures, or specific recommendations for amendment of the procedures. Approval shall not be withheld unreasonably; or
  - b. Absent CSD's written approval of the procurement procedures, Contractor shall prepare and submit a Request for Purchase/Lease Pre-Approval (CSD 558) to CSD at least fifteen (15) calendar days prior to executing the subcontract for each of the following procurement transactions:
    - i. Any articles, supplies, equipment or services having a per-unit cost in excess of \$5,000; or
    - ii. Any articles, supplies or equipment where the total contract amount exceeds \$100,000.
- 6) Noncompliance with any of the provisions in this Section 9. shall result in a disallowance of the costs of the procurement transaction.
- 7) Contractor assures that it shall exercise due care in the use, maintenance, protection, and preservation of state-owned property in Contractor's possession or any other property or equipment procured by Contractor with State funds. Such care shall include, but is not limited to, the following:

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- a. Maintaining insurance coverage against loss or damage to such property or equipment.
- b. Ensuring that the legal ownership of any motor vehicle or trailer is in the name of the Contractor.

**B. Limitation on Use of Funds**

Contractor shall assure that funds received under this Agreement shall not be used for the purchase or improvement of land or for the purchase, construction, or permanent improvement of any building or other facility other than low-income weatherization or energy-related home repairs.

**10. INSURANCE AND FIDELITY BOND**

**A. General Requirements**

- 1) By execution of this Agreement, Contractor agrees that the below-required insurance policies and bond shall be in effect at all times during the term of this Agreement.
- 2) Contractor shall provide the State with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.
- 3) In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide within 30 calendar days prior to said expiration date a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate shall identify and name the State as the Certificate Holder.
- 4) New Certificates of Insurance will be reviewed for content and form by CSD.
- 5) In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.
- 6) With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all Certificates of Insurance required under this Agreement.

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- 7) The issuance of other CSD contracts, to include any cash advances, and reimbursement payments, to the Contractor shall be contingent upon required current insurance coverage being on file at CSD for this Agreement.

**B Self-Insurance**

- 1) When Contractor is a self-insured governmental entity, the State, upon satisfactory proof, may waive the appropriate insurance requirements. To qualify for a waiver, an appropriate county or city risk manager shall sign a certification that shall contain assurance of the adequacy of the governmental entity's ability to cover any potential losses under this Agreement.
- 2) Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable policy numbers, expiration dates, and coverage amount.
- 3) In the case that the Contractor's self-insurance coverage does not contain any changes from the prior year, CSD will accept a certified letter signed by authorized personnel stating that no changes have occurred from last year. This letter is due at the time of contract execution or within 30 days of expiration of insurance.
- 4) Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

**C. Workers' Compensation Insurance**

- 1) Contractor shall have and maintain for the term of this Agreement workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.
- 2) Contractor shall submit either an applicable Certificate of Insurance or a Certificate of Consent to Self-Insure issued by the Director of the Department of Industrial Relations to the State as evidence of compliance with the workers' compensation insurance requirement prior to issuance of an initial cash advance.

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D. Fidelity Bond

- 1) Contractor shall maintain a fidelity bond in the minimum amount of four percent of the total amount of consideration set forth under this Agreement.
- 2) Contractor shall submit an applicable Certificate of Insurance to the State as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

E. General Liability Insurance

- 1) Contractor shall have and maintain for the term of this Agreement general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.
- 2) Contractor shall submit an applicable Certificate of Insurance naming CSD as an additional insured, to the State as evidence of compliance with general liability insurance requirements prior to issuance of an initial cash advance.

F. Vehicle Insurance

- 1) Contractor shall have and maintain for the term of this Agreement vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.
- 2) When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Agreement nonowned and hired-auto liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property damage. (Driving to and from work is not within the scope of employment.)
- 3) Contractor shall submit an applicable Certificate of Insurance, designating CSD as an additional insured, to the State as evidence of compliance with said vehicle insurance requirements prior to issuance of an initial cash advance.

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11. AGREEMENT CHANGES

A. Amendment

- 1) Formal Amendments are required for changes to the term, total cost or Maximum Amount of this Agreement, scope of work, and formal name changes. No amendment to this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties. CSD 425b, Justification for Contract Amendment/Modification, must be completed by Contractor's request to make changes to Attachment I or Attachment II.

B. Modification

- 1) Changes involving alterations such as changes to program activities and/or delivery strategies will be considered modifications. A CSD 425b, Justification for Contract Amendment/Modification, must be completed by Contractor's request to make changes to Attachment I or Attachment II.
- 2) Please note that modifications to projected outcomes on the CSD 801 forms will not be allowed. In the event that projections will not be met, please provide a description of the circumstances. For further instruction please contact your Field Services Representative.
- 3) A modification to the projected budget is not required as long as the maximum amount payable does not change. Any increase to out-of-state travel costs or changes to major equipment purchases will require a modification.
- 4) If a Contractor intends to request a contract modification to modify Attachment I or Attachment II, justification shall be submitted on CSD 425b, Justification for Contract Amendment/Modification, no later than 15 calendar days prior to the expiration date of this Agreement.

12. BOARD ROSTER, BY-LAWS, RESOLUTION AND MINUTES

- 1) Upon execution of this Agreement, Contractors shall submit to CSD a current roster of the executive committee of the tripartite board, including contact information for each committee member at a location other than office of the eligible entity, and the most recent version of the organizational by-laws. Contractor is responsible to notify CSD of any changes to the Board roster within thirty (30) days of such occurrence. If Contractor has submitted such information

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to CSD pursuant to another active contract, then Contractor does not have to resubmit it.

- 2) Contractor's governing board must authorize the execution of this Agreement. Contractor has the option of demonstrating such authority by direct signature by a board member, or by any lawful delegation of such authority that is consistent with Contractor's bylaws.
- 3) Where Contractor elects to delegate the signing authority to the chief executive officer, CSD will accept either a resolution specific to this Agreement or a resolution passed by the governing board that is more generally applicable to any CSD program contract or amendment. Where Contractor provides a general resolution, Contractor shall maintain documentation that the chief executive officer provided timely and effective communication of the execution and terms of this Agreement to the board. Either a specific or current general resolution must be on file with CSD prior to CSD finally executing this Agreement. If Contractor has submitted a general resolution to CSD pursuant to another active contract that would include the scope of work under this Agreement, then Contractor does not have to resubmit it.

13. CONFLICT OF INTEREST

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit that either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

14. CODES OF CONDUCT

- A. Contractor shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts or subcontracts. No employee, officer, or agent of the Contractor shall participate in the selection, award, or administration of a subcontract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the

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Contractor shall neither solicit nor accept gratuities, favors, or anything of monetary value from subcontractors or parties to subagreements. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipients.

- B. Contractor shall not pay Federal funds received from CSD to any entity in which it (or one of its employees, officers, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicated herein) has an interest. As ownership constitutes a financial interest, Contractor shall not subcontract with a subsidiary. Similarly, Contractor shall not subcontract with an entity that employs or is about to employ any person described in 45 CFR Part 92 (for states and local governments) and 45 CFR Part 74 (for nonprofit organizations) (Office of Management and Budget Circular A-110, section 42).